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Control: 335
Rec'd: June 1, 1954 2:45 p.m.

FROM: Guatemala City

TO: Secretary of State

NO: 854, June 1, 11 a.m.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN - 2 1954

PRIORITY

This information as of May 28 delayed in enciphering.

Re your telegram 1051, May 27, Guatemalan army morale generally enhanced by ALFHEM arms shipment, but it is not certain this will redound to Arbenz benefit. While loyalty of some officers to regime may have increased, many others now believe army in position to act independently and have spoken of possible movements to overthrow regime. This does not mean such action is imminent, but does indicate trend of thought.

Arms shipment has not (repeat not) made army officers more friendly to Communists, and any open move by government to arm civilians might have serious repercussions. Colonel Carlos Enrique Diaz, Chief of Armed Forces, allegedly assured officers at military base that arms had been procured exclusively for army and that he would not permit any to fall into Communist hands. One officer close to Diaz said he thought Diaz could prevent seepage of arms to Communists in Guatemala City area but questioned whether he could control situation in outlying departments.

PENNIMAN

MEJ/12

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